

Paid Lunch Equity

Overview and Guidelines to Calculating the
PLE

Jan. 2014

What is Paid Lunch Equity?

- Healthy, Hunger-Free Kids Act of 2010, section 205, requires SFAs participating in the National School Lunch Program to provide the same support for lunches served to students who are not eligible for free or reduced price lunches (i.e. paid lunches) as they are for lunches served to students eligible for free lunches.
- Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced price lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it.



What is PLE?



In order to ensure sufficient funds are provided to the nonprofit school food service account for meals served to students not eligible for free or reduced meals, the SFA is directed to:

1. Compare the average price charged for lunches served to “paid” students to the difference between the higher Federal reimbursement provided for free lunches and the lower Federal Reimbursement provided for paid lunches
2. If the average paid lunch price is *less than* the difference, an SFA must either gradually adjust average prices or provide non-Federal funding to cover the difference.

What is PLE?

- o SFA's must annually review their paid lunch revenue to assure compliance with the paid lunch equity requirement.
- o This review is done using the PLE calculation tool.
- o If the tool determines a price increase is required, the maximum required annual increase is 10 cents. SFA's may increase more, but it is not required by USDA.

The PLE tool is provided by USDA each year. Included in the first tab are instructions for completing the calculations using the tool.

You will need the following to complete the tool:

- Unrounded price requirement for the previous SY or SY 2010-2011 Weighted Average Price
- All paid lunch prices for the current SY
- # of paid lunches served associated with each paid lunch price for the October, current SY

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School Year (SY) 2014-15 Paid Lunch Equity (PLE) Tool Instructions
 Note: Users may want to print the instructions and use them to guide users through the PLE tool.

The PLE Tool (Tool) was created to help School Food Authorities (SFA) calculate their paid lunch price increase requirement and non-Federal source contributions to meet the requirements in Section 205 of the Healthy, Hunger-Free Kids Act of 2010. If the pricing requirements calculated by the Tool are not met or are exceeded, the Tool will also calculate any amounts carried over into the next year. Note, the weighted average prices calculated in the Tool are the weighted average of all paid lunch prices charged in the SFA.

For more information on amounts carried over please refer to SP 99-2011.

This version of the PLE tool is only applicable to SY 2014-2015. A new version of the tool will be issued for SY 2015-2016.

The SY 2014-15 PLE Tool consists of 5 tabs:
 Hyperlinks are also placed throughout the tool to navigate to the different tabs
 Tab 1: [Unrounded Requirement Finder](#)
 Tab 2: [SY 2014-15 Price Calculator](#)
 Tab 3: [SY 2014-15 Non-Federal Calculator](#)
 Tab 4: [SY 2014-15 Split Calculator](#)
 Tab 5: [SY 2014-15 Report](#)

* The last two tabs (SY 2014-15 Split Calculator and SY 2014-15 Report) are for reference only.

Cells shaded this color designate data entry cells. The SFA must enter the applicable data in these cells for the tool to calculate the requirements.

SFA's need the following data to calculate the Weighted Average Price for SY 2014-15:
 1.) SY 2010-11 Weighted Average Price
 2.) All paid lunch prices for October 2013
 3.) Number of paid lunches served associated with each paid lunch price in October 2013

Instructions Unrounded Requirement Finder SY 14-15 Price Calculator SY 14-15 NonFederal Calculator

Step One will calculate the next SY Weighted Average Price Requirement

There are two options to get the price to enter in this step:

- Enter the previous SY **Unrounded** Price Requirement in the orange shaded box.
- Or enter the SY 2010-2011 weighted average price, which generates the price to go in Step 1

Step 1

Enter the SY 2013-14 Unrounded Price Requirement in the box below	SY 2014-15 Weighted Average Price Requirement
This is can be found in Section 1: Box A of the SY2013-2014 REPORT from the SY 2013-14 tool or you may find it below (Price 2)	Requirement price to the nearest cent
\$ 1.91	1.99

Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%)

Complete if you do NOT know your SY2013-2014 Unrounded Price Requirement

Annual Unrounded Requirement Finder

Enter the SY 2010-11 Weighted Average Price below

** The weighted average price for SY 2010-11 is the weighted average of all paid lunch prices charged in the SFA

SY 2010-11 Weighted Average Price	Unrounded Price Requirements	
	Price 1: SY 2012-2013 Requirement price to the nearest cent	Price 2: SY 2013-2014 Requirement price to the nearest cent
\$ 1.70	\$ 1.82	\$ 1.91

If you do not know your SY2010-2011 Weighted Average Price [CLICK HERE](#)

This generates the next SY Weighted Average Price Requirement

This generates the price (Price 2) that is plugged into the orange box in Step 1.

Step 2

The new Weighted Average Price generated in Step 1 is auto-entered in Step 2

It is then rounded down to the nearest 5 cents by the tool

[Go to Instructions](#)
SY 2014-15 Weighted Average Price Requirement

Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
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\$ 1.99	\$ 1.95
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Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%)

SY 2013-14 Weighted Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2013.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2013-14 Weighted Average Price
1.		\$ -	
2.		\$ -	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
AL	-	\$ -	\$ -

Note: SY 2013-14 Weighted Average Price equal to or above \$2.65 are compliant for SY 2014-15. \$2.65 is the difference between the Free and Paid reimbursement rates for SY 2013-14.

To determine your current weighted average price, you will enter the number and corresponding price(s) of paid lunches for the month of October.

SY 2013-14 Weighted Average Price Calculator

Enter the paid prices and number of paid lunches sold at each price for October 2013.

Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2013-14 Weighted Average Price
3,000	\$ 1.85	\$ 5,550.00	
2,500	\$ 2.00	\$ 5,000.00	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
5,500		\$ 10,550.00	\$ 1.92

Note: SY 2013-14 Weighted Average Price equal to or above \$2.65 are compliant for SY 2014-15. \$2.65 is the difference between the Free and Paid reimbursement rates for SY 2013-14.

Once you have calculated your current SY weighted average price, the tool compares it to the next SY's Price requirement.

The result is a report that tells if there is a price increase required,

What the price requirement is,

If there is any increase carried forward to the year after next SY (if increase is >10 cents), or if there is a credit carried forward.

		nearest cent	to nearest 5 cent
		\$ 1.99	\$ 1.95
<small>Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index.</small>			

SY 2013-14 Weighted Average Price Calculator			
Enter the paid prices and number of paid lunches sold at each price for October 2013.			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	SY 2013-14 Weighted Average Price
1. 3,000	\$ 1.85	\$ 5,550.00	
2. 2,500	\$ 2.00	\$ 5,000.00	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
TOTAL	5,500	\$ 10,550.00	\$ 1.92

Note: SY 2013-14 Weighted Average Price equal to or above \$2.65 are compliant for SY 2014-15. \$2.65 is the difference between the Free and Paid reimbursement rates for SY 2013-14.

Total Price Increase for SY 2014-15	\$ 0.03
Required price for SY 2014-15 (with 10 cent cap)	\$ 1.95
Remaining increase carried forward to SY 2015-16	\$ -
Remaining credit carried forward to SY 2015-16	\$ -

[Go to SY2014-2015 Report](#)

At the bottom of this page, you will find Step 3. This is **optional**!

This tool allows you to play with different prices for your Monthly totals of paid lunches in order to meet the Weighted Average Price requirement for next SY.

Step 3 (Optional)			
Pricing Estimation Calculator			
Below is a tool allowing users to manipulate prices to achieve the required new weighted average price.			
Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue	Weighted Average Price
1.		\$ -	
2.		\$ -	
3.		\$ -	
4.		\$ -	
5.		\$ -	
6.		\$ -	
7.		\$ -	
8.		\$ -	
9.		\$ -	
10.		\$ -	
TOTAL	-	\$ -	\$ -

Note: This tool is created to allow the user to only enter the number of paid lunches and the related prices. If any other parts of the tool are modified, the user runs the risk of calculating an incorrect new average price. Users should not modify the tool's current functionality.

Step 3-Optional Pricing Estimation Calculator

Using the monthly totals from Step 2, but changing only one price, I can see if this meets the weighted average price requirement.

Step 3 (Optional)			
Pricing Estimation Calculator			
Below is a tool allowing users to manipulate prices to achieve the required new weighted average price.			
	Monthly # of Paid Lunches	Paid Lunch Price	Monthly Revenue
1.	3,000	\$ 1.85	\$ 5,550.00
2.	2,500	\$ 2.10	\$ 5,250.00
3.		\$ -	\$ -
4.		\$ -	\$ -
5.		\$ -	\$ -
6.		\$ -	\$ -
7.		\$ -	\$ -
8.		\$ -	\$ -
9.		\$ -	\$ -
10.		\$ -	\$ -
TOTAL	5,500		\$ 10,800.00
			\$ 1.96

This meets the Calculated requirement

“My board does not want to raise prices, what are my options?”

- o 1. Contribute Non-Federal Funds to the non-profit school food service account.
- o Or
- o 2. Split the increase by raising prices less than the requirement and making up the difference by the contribution of non-federal funds to the non-profit school food service account.

Considerations for Non-Federal Funding to meet PLE requirement

- o Non-Federal funds-
- o Cash in the form of:
 - funds provided by organizations such as school related or community groups for any paid meals
 - direct payments made from school district funds to support lunch service attributable to paid meals

Not allowed as Non-Federal support:

- any payment including per meal reimbursements provided to the SFA for Child Nutrition Programs
- any in-kind contribution or state matching funds unless the funds exceed the minimum requirement established in 7 CFR 210.17 (will not be an option in our state)
- a la carte and adult food sales or any revenue from foods and beverages sold in competition with reimbursable meals.

SY 2014-15 Non-Federal Contribution Calculator

[Go to Instructions](#)

SY 2014-15 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price ROUNDED DOWN to nearest 5 cent
\$ 1.99	\$ 1.95
<small>Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%)</small>	
Current Weighted Average Paid Price	
<small>Enter in the current weighted average paid lunch price. Note: If SFA did not change the weighted average paid lunch price in SY2011-2012, SY2012-2013 or SY2013-14, enter the SY2010-11 weighted average price. Otherwise, click the link below.</small>	
\$ 1.92	Click here to determine SY2013-2014 weighted average price

Non-Federal Source Contribution Calculator for SY 2014-15		
<small>Enter the total paid lunch count (for all prices).</small>		
<small>** Annual Non-Federal Source Funds for SY 2014-2015 are estimated based on the annual lunch count entered below</small>		
Enter annual number of paid lunches for SY 2012-2013	TOTAL Price Increase for SY 2014-15	TOTAL SY 2014-15 Annual Non-Federal Source Contribution
47,000	\$ 0.03	\$ 1,410.00
<small>Note: Total price increase for SY 2014-2015 is based on the difference between the weighted average price entered above and SY 2014-2015 rounded DOWN requirement.</small>		

Non-Federal Contribution Calculator

Enter total amount of Non-Federal Source Funds Contributed	Annual Non-Federal Source Contribution Requirement for SY 2014-15
\$ 1,500.00	\$ -
Price Increase Requirement for SY 2014-15 (with 10 cent cap)	SY 2014-15 Annual Non-Federal Source Contribution (with 10 cent cap)
\$ 0.03	\$ -
Remaining Annual Non-Federal Source Contribution carried forward to SY 2015-16 \$ -	
Remaining Credit carried forward to SY 2015-16 \$ 90.00	

Enter the current weighted average lunch price-from Step 2

Enter the annual # of paid lunches for the **previous SY**. The tool calculates the funding amount need from Non-Federal source if prices are not increased.

SY 2014-15 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price ROUNDED DOWN to nearest 5 cent
\$ 1.99	\$ 1.95
Note: Above prices are based on adjusting SY 2013-2014 price requirement by the 2% rate increase plus the Consumer Price Index (2.27%)	
Current Weighted Average Paid Price	
Enter in the current weighted average paid lunch price. Note: If SFA did not change the weighted average paid lunch price in SY2011-2012, SY2012-2013 or SY2013-14, enter the SY2010-11 weighted average price. Otherwise, click the link below.	
\$ 1.92	Click here to determine SY2013-2014 weighted average price
Non-Federal Source Contribution Calculator for SY 2014-15	
Enter the total paid lunch count (for all prices). ** Annual Non-Federal Source funds for SY2014-2015 are estimated based on the annual lunch count entered below	
Enter annual number of paid lunches for SY 2012-2013	TOTAL Price Increase for SY 2014-15
47,000	\$ 0.03
TOTAL SY 2014-15 Annual Non-Federal Source Contribution	
\$ 1,410.00	
Note: Total price increase for SY 2014-2015 is based on the difference between the weighted average price entered above and SY 2014-2015 rounded DOWN requirement.	

Enter the amount contributed from a non-federal source from the previous SY. If none was contributed, enter "0". The tool determines if this is adequate..

Enter total amount of Non-Federal Source Funds Contributed	Annual Non-Federal Source Contribution Requirement for SY 2014-15
\$ -	\$ 1,495.50
Price Increase Requirement for SY 2014-15 (with 10 cent cap)	SY 2014-15 Annual Non-Federal Source Contribution (with 10 cent cap)
\$ 0.03	\$ 1,495.50
Remaining Annual Non-Federal Source Contribution carried forward to SY 2015-16	
\$ -	
Remaining Credit carried forward to SY 2015-16	
\$ -	

It is not adequate, so the amount the non-profit school food service needs to receive in contributed non-federal funds for SY 14-15 is \$1495.50

If the 10 cent cap was exceeded in Step 2, then this would be taken into consideration and the non-federal funding amount adjusted.

There is also a “Split Price and Non-Federal Calculator”

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SY 2014-15 Split Price and Non-Federal Calculator

[Go to Instructions](#)

SY 2014-15 Weighted Average Price Requirement	
Requirement price to the nearest cent	Optional price requirement ROUNDED DOWN to nearest 5 cent
\$ 1.99	\$ 1.95

Note: Above prices are based on adjusting SY 2010-2014 price requirement by the 20% rate increase plus the Consumer

SY 2013-14 Weighted Average Price Calculator

This is used when a price increase is implemented but is not adequate to meet the requirement. The difference is calculated as the amount to be met by non-federal funds.

Finally, there is a Report that SFA's need to complete. This tells the SA your method to ensure sufficient funds are provided For paid lunches.

This drop-down box gives these options:
-increase price
-contribute non-federal funds
-both

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[Go to Instructions](#)

SY2014-2015 Weighted Average Pricing Report

This report assists in tracking the pricing requirements and amounts carried forward for SY 2014-2015. Information on this report is used to determine the SY 2014-2015 weighted average price requirements. Please print and keep in records.

NOTE: If information is changed in the tool, the report contents will change.

Section 1: SY2014-2015 Weighted Average Paid Price Requirements

A. SY 2014-15 Weighted Average Price Requirement*:	\$1.99
*This price will be entered into the SY 2014-2015 tool to determine the SY2014-2015 weighted average price requirements	
B. Optional Price ROUNDED DOWN to nearest 5 cents:	\$1.95

Section 2: Amounts Carried Forward to SY 2015-2016

Select the SY 2014-2015 method used to ensure sufficient funds are provided for PAID Lunches

Increase SY 2014-2015 average weighted price

Average Weighted Price Adjustments

A. Remaining increase carried forward to SY 2015-16:	\$0.00
B. Remaining credit carried forward to SY 2015-16:	\$0.00

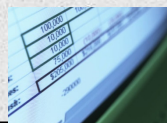
Non-Federal Source Contributions

C. Remaining Annual Non-Federal Source Contribution carried forward to SY 2015-16:	N/A
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PLE

We have reviewed all of the tabs
in the PLE calculation tool

- The last two tabs are optional tools and do not need to be completed.
- SY 13-14 Price Calculator
- SY 10-11 Price Calculator



Resources

- SP 39-2011 Child Nutrition Reauthorization 2010: Guidance on Paid Lunch Equity and Revenue from Non program Foods
- SP 34-2013 Paid Lunch Equity: Guidance for 2013-2014
- SP 58-2013 Paid Lunch Equity: Additional Guidance for SY 2013-2014
- SP 1-2014 Paid Lunch Equity: School Year 2014-2015 Calculations
- SP 15-2014 Paid Lunch Equity: School Year 2014-2015 Calculations and Tool



